

# Significant Events Notice

Product and investment changes  
year ended 30th June 2009

This Notice provides members of the Zurich Master Superannuation Fund with a general description of the changes that may affect your investment and informs you how to obtain further information and assistance. Please note that the information applies to certain products (as indicated) and may not be apply to your current plan.

In this Notice,

**ZSP** stands for Zurich Superannuation Plan,

**ZRP** stands for Zurich Retirement Plan,

**ZABP** stands for Zurich Account-Based Pension,

**ZAP** stands for Zurich Allocated Pension and

**ZTAP** stands for Zurich Term Allocated Pension.

The Trustee of the Zurich Master Superannuation Fund  
(ABN 33 632 838 393 SFN 2540/969/42) is  
Zurich Australian Superannuation Pty Limited  
ABN 78 000 880 553 AFSL 232500  
RSE Licence No. L0003216 Registration No. R1067651

5 Blue Street North Sydney NSW 2060  
Telephone: 131 551 Facsimile: 02 9995 3797

# Update:

## Product and investment

Please note that the information in the following section only applies to certain products (as indicated) and may not apply to your current plan.

### Increase to the minimum Monthly Portfolio Management Charge (ZSP, ZABP, ZAP and ZTAP clients only)

Effective 1 April 2009 the minimum monthly Portfolio Management Charge for the Zurich Superannuation Plan (ZSP), the Zurich Account-Based Pension (ZABP), the Zurich Allocated Pension (ZAP) and the Zurich Term Allocated Pension (ZTAP) increased from \$17.72 to \$18.37 and the Cheque Fee (for ZABP, ZAP and ZTAP only) increased from \$6.17 to \$6.40.

As disclosed in the PDS, the increase has been calculated on the CPI increase measured over the 12 months ending 31 December of the previous year (i.e. 2008). The CPI is the "Weighted Average of Eight Capital Cities Index" published by the Australian Bureau of Statistics.

### Closure of the Zurich Blended Series investment options

Effective 1 July 2009 the following Zurich Blended Series investment options will be closed to new and additional investments and will be terminated for existing members on 1 October 2009:

- Zurich Blended Series Managed Stable
- Zurich Blended Series Balanced
- Zurich Blended Series Managed Growth
- Zurich Blended Series Priority Growth
- Zurich Blended Series Australian Shares
- Zurich Blended Series International Shares

Members in these options have been asked to nominate an alternative option(s) for their investments.

If you have any questions regarding the closure of the Zurich Blended Series investment options, please contact either your financial adviser or Zurich's Client Service Centre on 131 551.

## Renewal notices change from monthly to quarterly to support our commitment to the environment

Zurich remains committed to reducing the environmental impact of our daily work practices. Our Green Office program aims to limit the company's impact on the environment and addresses day-to-day operating procedures. The introduction of electronic Product Disclosure Statements, together with other initiatives such as the provision of annual fund reports online and the introduction of My Zurich, once again illustrates Zurich's commitment to the environment.

To further support our Green Office program, Zurich will, early in 2010, replace monthly renewal notices with quarterly notices to those clients whose retirement strategy is based on making contributions on a regular basis by cheque.

It is important to note that you will still be able to make more frequent investments, it is just the frequency of the notices you receive that will change.

**Help reduce waste and save the environment:** You can help Zurich lessen the impact on the environment further by switching your payment method from cheque to either Direct Debit or BPay. This helps by reducing paper waste as there is no need to issue Notices, write cheques or use envelopes when using Direct Debit or BPay.

For further information on making your regular investments by either Direct Debit or BPay, or on the change to Quarterly notices, please contact Zurich's Client Service Centre on 131 551.

## Transfers to an Eligible Rollover Fund (ERF)

Superannuation law permits superannuation fund trustees to transfer a member's benefits from their fund to an eligible rollover fund. The fund trustee is free to select the ERF, to change the ERF and to determine the circumstances in which such transfer will be made.

The Australian Eligible Rollover Fund (AERF) is currently the Fund's eligible rollover fund. Following a recent review, we have set the following criteria for transferring a Fund member's benefits to the AERF:

- The benefit is immediately payable, and we have not been provided with instructions for payment within 90 days from the date the benefit became payable;
- We have lost track of the member (this is usually when we believe a member has not received at least two consecutive statements from Zurich) and does not meet the minimum account balance;
- The member is inactive and has a balance of under \$1,000; or
- The member has engaged in activity which could result in, or has resulted in, financial detriment to other Fund members or beneficiaries ("misconduct").

Superannuation law also allows us to determine other transfer circumstances.

The ERF is a completely separate arrangement. Where we intend to transfer your benefits, we will provide you with prior notification. If your benefits are transferred to the AERF:

- you will no longer be a member of the Zurich Master Superannuation Fund and all associated benefits such as insurance (if any) will cease;

- you will instead become a member of AERF;
- AERF will invest your benefit using a default investment strategy without knowing whether it is appropriate to your needs;
- AERF will have a different fee structure;
- AERF will not provide death or disablement insurance benefits.

If you are transferred to the AERF, you will need to contact the AERF Trustee to obtain your benefits. The AERF Trustee is:

Perpetual Trustees Company Limited  
GPO Box 4172  
Sydney NSW 2001

The AERF Fund Administrator is Jacques Martin Hewitt International and may be contacted on telephone number 1800 677 424.

If we do not transfer your benefit to the AERF and your benefit becomes unclaimed money as defined by superannuation law, we are required to transfer it in full to the Australian Taxation Office (ATO). You may contact the ATO to claim your benefits should that occur.

For information about unclaimed superannuation for holders of temporary resident visas who permanently depart Australia, please contact your financial adviser.

## Change of Strategic Investment Partners

Effective 1 September 2008 Above The Index Asset Management Pty Ltd replaced Constellation Capital Management Limited as the strategic investment partner for the Australian Value Share option and the Australian share asset class of the Managed Share option.

Effective 10 June 2009, Above the Index Asset Management Pty Ltd replaced Challenger Managed Investments Limited and joins Schroder Investment Management Australia Limited and State Street Global Advisers, Australia, Limited in managing the Australian shares asset class of the Zurich diversified options.

The details of the strategic investment partners for the investment options are contained in the brochure entitled "Zurich's Business Philosophy – Our Strategic Investment Partners" available from the website [www.zurich.com.au/strategicpartners](http://www.zurich.com.au/strategicpartners).

## Expense recovery charge for RREEF (Ex-Australian) Global Property Securities option

Effective 1 July 2009, Deutsche Asset Management introduced an estimated Expense Recovery Fee of 0.225% pa for the RREEF Global (ex-Australia) Property Securities option. As a result the total Investment Management fee for this investment option has been increased from 1.00% pa to 1.225%.

# Update: investment options

## Update of Zurich diversified investment options asset allocation benchmarks and ranges

Effective 1 July 2009 the asset allocation benchmarks and ranges for the following Zurich diversified investment options were changed as follows:

Asset class	Capital Stable			
	Old benchmark %	New benchmark %	Old Range %	New Range %
Australian Share	16	15	8 – 26	0 – 24
International Share	14	12	7 – 29	0 – 22
Australian Property Securities	0	1	0 – 7#	0 – 13#
Global Property Securities	0	2	0 – 7#	0 – 13#
<b>Total Growth Assets</b>	<b>30</b>	<b>30</b>		<b>0 – 59</b>
Australian Fixed Interest	45		38 – 50	
International Fixed Interest	20		15 – 25	
Total Fixed Interest		62		41 – 92
Cash	5	8	0 – 10	0 – 30
<b>Total Defensive Assets</b>	<b>70</b>	<b>70</b>		<b>41 – 100</b>

# The range shown for Australian and Global Property Securities is a combined range.

Asset class	Balanced				Managed Growth			
	Old benchmark %	New benchmark %	Old Range %	New Range %	Old benchmark %	New benchmark %	Old Range %	New Range %
Australian Share	26	26	10 – 38	10 – 38	36	36	20 – 46	20 – 46
International Share	20	20	7 – 30	7 – 30	27	27	10 – 38	10 – 38
Australian Property Securities	3	2	0 – 17#	0 – 17#	4.5	3	0 – 12#	0 – 12#
Global Property Securities	3	4	0 – 17#	0 – 17#	4.5	6	0 – 12#	0 – 12#
<b>Total Growth Assets</b>	<b>52</b>	<b>52</b>	<b>17 – 85</b>	<b>17 – 85</b>	<b>72</b>	<b>72</b>	<b>30 – 96</b>	<b>30 – 96</b>
Australian Fixed Interest	25		10 – 33		12		2 – 20	
International Fixed Interest	18		5 – 30		11		2 – 35	
Total Fixed Interest		43		15 – 63		24		4 – 55
Cash	5	5	0 – 20	0 – 20	5	4	0 – 15	0 – 15
<b>Total Defensive Assets</b>	<b>48</b>	<b>48</b>	<b>15 – 83</b>	<b>15 – 83</b>	<b>28</b>	<b>28</b>	<b>4 – 70</b>	<b>4 – 70</b>

# The range shown for Australian and Global Property Securities is a combined range.



Asset class	Priority Growth				Managed Share	
	Old benchmark %	New benchmark %	Old Range %	New Range %	Old benchmark %	New benchmark %
Australian Share	46	46	31 – 60	31 – 60	62.5	50
International Share	36	36	21 – 50	21 – 50	37.5	50
Australian Property Securities	3.5	2	0 – 17#	0 – 17#		
Global Property Securities	3.5	5	0 – 17#	0 – 17#		
<b>Total Growth Assets</b>	<b>89</b>	<b>89</b>	<b>55- 100</b>	<b>55 – 100</b>	<b>100</b>	<b>100</b>
Australian Fixed Interest	5		0 – 10			
International Fixed Interest	4		0 – 20			
Total Fixed Interest		9		0 – 30		
Cash	2	2	0 – 15	0 – 15		
<b>Total Defensive Assets</b>	<b>11</b>	<b>11</b>	<b>0 – 45</b>	<b>0 – 45</b>	<b>0</b>	<b>0</b>

# The range shown for Australian and Global Property Securities is a combined range.

# Other significant notices

## Federal Budget 2009/10

On 12 May 2009 the Treasurer, The Hon Wayne Swan MP, delivered his second Federal Budget. A copy of Mr. Swan's speech together with supporting Budget papers can be found online at <http://www.finance.gov.au/budget/>.

The following is a summary of the budget changes that may impact on your investment with Zurich. We recommend you speak to your financial adviser about how these changes affect your investment.

### **Reduction in the concessional contribution cap**

From 1 July 2009 the concessional contributions cap has been reduced from \$50000 pa (indexed) to \$25000 (indexed). The transitional concessional contributions cap (applicable to individuals aged 50 and over any time in the 2009/10, 2010/11 and 2011/12 financial years) has been reduced to \$50000 pa.

The non-concessional contributions cap remains at \$150000 pa for the 2009/10 financial year. From 2009/10 financial year onwards, the cap is calculated at six times the level of the (indexed) concessional contributions cap.

### **Temporary reduction in the Government co-contribution**

Prior to 2009/10 financial year, the co-contribution matching rate was 150 per cent and the maximum co-contribution was \$1500. Effective 1 July 2009, the co-contribution has been reduced to a maximum co-contribution of \$1000. The matching rate has been reduced to 100 per cent.

This is a temporary measure and it is proposed that the matching rate and co-contribution will gradually be restored to their previous levels. For further information on the temporary reduction in the Government co-contribution, please speak to either your financial adviser or the Zurich Client Service Centre.

## **Reduced minimum income payment factor for 2009/10**

The Government also announced in the Federal Budget on 12 May 2009 that the temporary 50 per cent minimum pension drawdown relief for the 2008/9 financial year will be extended into 2009/10. This is the result of continued concerns from retirees that meeting the minimum draw down amount in 2009/10 will mean having to sell investment assets and realise losses in a depressed market.

## **Other changes to superannuation during 2008/09**

### **Change to definition of Spouse and Children**

Under superannuation law and the Trust Deed, if a member dies, the member's superannuation benefits may be paid to the member's dependant(s) or to the member's legal personal representative. Superannuation dependants include a member's spouse, children, and anyone else who has an interdependent relationship with the member.

While the superannuation legislation specifies who can receive a superannuation death benefit directly, taxation legislation determines whether the death benefit will be taxed in the hands of the beneficiary. The pool of beneficiaries who can receive tax-free benefits is different to those who can be paid a benefit under the superannuation rules. Tax dependants include a member's spouse, children under 18 and financial dependants.

Effective from 1 Jan 2009, changes were made to the Trust Deed to adopt the changes made to the definition of 'spouse' and 'child' under superannuation and tax law. The definition of 'spouse' was extended to include someone of the same sex. The definition of a 'child' of a person has also been extended to include children of a couple who are in a same-sex relationship.

If you would like to review your binding death beneficiary nominations, please speak to your financial adviser or call us on 131 551 for a copy of the Super Estate Management brochure.

## **Temporary residents and unclaimed super**

From 18 December 2008, changes apply to the unclaimed superannuation of temporary residents who have left Australia. The main change is that, after a temporary resident has left Australia for more than six months and their visa has expired, the Tax Office will notify their superannuation fund that it needs to transfer the temporary resident's unclaimed superannuation to the Tax Office. If a claim is made, the Tax Office will then pay the superannuation money, after withholding tax (if applicable):

- directly to the temporary resident (under a departing Australia superannuation payment) or, if the temporary resident has died, to their dependants; or
- to a superannuation fund if the temporary resident has returned to Australia and is no longer a temporary resident.

## **Changes to the conditions of release for temporary residents**

From 1 April 2009, changes apply to the conditions of release under which temporary residents can withdraw their benefits. The main change is that any member, who is or has been a temporary resident and is not a permanent resident or citizen of Australia or New Zealand, is able to withdraw their superannuation benefits only under the following conditions:

- death
- terminal medical condition
- permanent incapacity
- temporary incapacity
- a departing Australia superannuation payment (only if permanently departing Australia)
- an unclaimed money payment
- the superannuation provider receives a Release authority for excess contributions.

## New Withholding Tax Rates for Departing Temporary Residents

The withholding tax rates which apply to departing Australia superannuation payments (for temporary residents) changed effective 1 April 2009.

Departing Australia Payment – Components	Withholding Tax Rate (until 1 April 2009)	Withholding Tax Rate (from 1 April 2009)
Tax free component	Nil	Nil
Taxable component – untaxed element	40%	45%
Taxable component – taxed element	30%	35%

## Changes to Family Law – de facto couples

The Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008 came into effect on 1 March 2009. These changes update the Family Law Act 1975 to allow opposite-sex and same-sex de facto couples\* to access the federal family law courts on property and maintenance matters.

The changes also include recognition of financial agreements between de facto couples and allow superannuation splitting orders to be made between de facto couples where determined by court proceedings. These were previously only available to legally married couples of the opposite sex.

The new laws apply to de facto relationships that break down on or after 1 March 2009.

\* May not apply to certain de facto relationships, depending on your state or territory – please seek professional advice as to whether your relationship is covered.

## **Income salary sacrificed into superannuation and personal deductible contributions – new definitions of “income”**

Tax Laws Amendment (2009 Measures No. 1) Act 2009, which received Royal Assent on 26 March 2009, expands definitions of “income” for the purpose of determining eligibility for various tax, social security and superannuation concessions. The expanded definitions will see a person’s ‘total income’ for the purposes of certain concessions, include their “reportable employer superannuation contributions” from 1 July 2009. The income test to determine eligibility for certain concessions will also include “reportable superannuation contributions”.

“Reportable employer superannuation contributions” generally means the amount of superannuation contributions made by an employer for an employee in excess of what the employer is required to contribute under superannuation guarantee or industrial law. This means that if, for example, an employee sacrifices some or all of their cash salary into superannuation, the amount above compulsory Superannuation Guarantee contributions paid by the employer is included in the employee’s total income when determining that employee’s eligibility for various concessions.

“Reportable superannuation contributions” will also be used from 1 July 2009 to determine eligibility for a number of superannuation, social security and tax benefits. “Reportable superannuation contributions” is a broader term, than “reportable employer superannuation contributions”. “Reportable superannuation contributions” include reportable employer superannuation contributions (explained above) plus personal deductible superannuation contributions (personal contributions for which a tax deduction is claimed).

The salary sacrificed amounts and personal deductible contributions continue, however, to be excluded from the definition of taxable income that is used to determine the individual’s tax liability.

We strongly recommend that you discuss any existing, or planned salary sacrifice arrangement and personal deductible contributions into superannuation with your financial adviser.

# Further information

If you would like further information on these changes, or on how these changes may affect you, we strongly recommend that you speak to your financial adviser who will be able to provide specific advice after taking into consideration your individual situation.

For any other enquiries, please do not hesitate to contact the Zurich Client Service Centre on 131 551.

Please note that the information contained in this document is general information only. It does not take into account your personal objectives, financial situation or needs. You should consider these factors and the relevant Product Disclosure Statement (PDS) issued by Zurich Australian Superannuation Pty Limited (Trustee) ABN 78 000 880 553, AFSL 232 500 (available only for open products) before making a decision with respect to the information in this document. We recommend you seek professional advice before making any decision affecting any aspect of your membership in the fund. This document contains information about changes to the law governing superannuation. This information, although derived from sources believed to be accurate, may change. It should not be considered to be a comprehensive statement on any matter and should not be relied upon as such. Zurich Australia Limited ABN 92 000 010 195, AFSL 232 510 and its related entities receive remuneration such as fees, charges or premiums for the financial products which they issue. Details of these payments can be found in the relevant PDS for each financial product.

Zurich Australian Superannuation Pty Limited  
ABN 78 000 880 553 AFSL 232500  
RSE Licence No. L0003216 Registration No. R1067651  
5 Blue Street North Sydney NSW 2060  
Zurich Service Centre  
Telephone: 131 551 Facsimile: 02 9995 3797  
[www.zurich.com.au](http://www.zurich.com.au)

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football as an Official Partner  
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